

Message Text

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ACTION DOTE-00

INFO OCT-01 EA-07 ISO-00 L-03 CAB-02 CIAE-00 COME-00

DODE-00 EB-08 INR-07 NSAE-00 EPG-02 FAA-00 NSC-05

SS-15 TRSE-00 OMB-01 IO-13 /064 W

-----075316 260426Z /23

R 260150Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2789

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E.O. 11652: N/A

TAGS: EAIR, RP, US

SUBJECT: CIVAIR-USER CHARGES AT MANILA INTERNATIONAL AIRPORT

REF: (A) MANILA 3024, (B) MANILA A-32 2/4/77, (C) STATE 142874

1. SUMMARY. EMBASSY SHARES WASHINGTON CONCERN REGARDING NEW MANILA INTERNATIONAL AIRPORT (MIA) LANDING AND TAKEOFF FEES. HOWEVER, IN LIGHT OF PRESENT RANGE OF AVIATION PROBLEMS (AND THE ACUTE SENSE BOTH SIDES HAVE OF BEING THE WRONGED PARTY), WE BELIEVE IT NECESSARY TO EXERCISE SOME CAUTION IN HANDLING THIS ISSUE, PARTICULARLY SINCE U.S. AIRLINES AND USG ARE ALONE REPEAT ALONE AMONG INTERNATIONAL CARRIERS AND THEIR GOVERNMENTS IN PROTESTING HIGHER FEES. END SUMMARY.

2. BACKGROUND: EARLY HISTORY OF LOI 498 IS CONTAINED IN REFTELS. RECIPROCAL FEE CONCEPT HAS BEEN REPLACED WITH A NEW FEE SCHEDULE RAISING RATES (DEPENDING ON AIRCRAFT) FROM 17 TO 90 PERCENT. TWO OTHER DEVELOPMENTS HAVE OCCURRED:

A. AN IATA REPRESENTATIVE, MR. ROBERT DICKIE, DIRECTOR OF PROPERTIES, PANAM, HONOLULU, HAS TALKED TO PHIL CAA DIRECTOR, GENERAL SINGSON, ABOUT FEE INCREASES. PRESUMABLY, DICKIE BASED ARGUMENTS ON RELATIONSHIP BETWEEN USER COSTS AND USER
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FEES, BUT BRUNT OF REPRESENTATION SEEMS TO HAVE BEEN TO PERSUADE SINGSON TO IMPLEMENT INCREASES INCREMENTALLY OVER PERIOD OF SEVERAL YEARS. IT INITIALLY APPEARED THAT DICKIE HAD SUCCEEDED, BUT ON FURTHER INVESTIGATION, EMBASSY FOUND SITUATION TO BE ANOTHER CASE OF "THE PHILIPPINE (E.G. POLITE) BRUSH-OFF."

B. THE LOCAL AIRLINE OPERATORS COUNCIL (AOC), HAS EXPRESSED THEIR CONCERN AT SOME LENGTH TO AIRPORT AND CAA AUTHORITIES, AND HAS ALSO SUGGESTED INCREMENTAL IMPLEMENTATION OF THE NEW RATES (WITH DEFERRAL OF ANY INCREASE FROM MARCH 1, 1977 TO JULY 1, 1977). A COPY OF THIS PROPOSAL IS CONTAINED IN "1ST ENDORSEMENT," DATED APRIL 15, 1977, FROM AIRPORT GENERAL MANAGER TABUENA TO GENERAL SINGSON. (COPY BEING AIR POUCHED TO STATE). EMBASSY UNDERSTANDS SINGSON IN TURN FORWARDED REQUEST TO PRESIDENT MARCOS' OFFICE FOR CONSIDERATION, BUT NO RESPONSE HAS BEEN RECEIVED.

3. PRESENT SITUATION: MARCH BILLS FOR AIRPORT USE REFLECTED NEW FEE SCHEDULE. AIRLINES ARE EITHER HOLDING BILLS AND AWAITING DECISION ON AOC PROPOSAL (WITH AIRPORT MANAGER'S TACIT CONCURRENCE) OR PAYING WITH A STATEMENT OF RESERVATION. EMBASSIES CONTACTED BY US TAKE POSITION THAT NEW SCHEDULE IS NOT REPEAT NOT OUT OF LINE WITH AIRPORT CHARGES IN THIS REGION. (PANAM CONFIRMS THIS, AND A PANAM REPORT ON WORLDWIDE LANDING CHARGES IS ALSO BEING AIR POUCHED).

4. ACTION TAKEN: EMBASSY OFFICER HAS DISCUSSED ISSUE AT LENGTH WITH GENERAL SINGSON AND WITH ATTY. GONZALES, ASSISTANT AIRPORT MANAGER AND HEAD OF COMMITTEE ON AIRPORT CHARGES. PHILIPPINE POSITION IS AS FOLLOWS:

A. AIRPORT FEES AT MANILA INTERNATIONAL HAVE NOT BEEN LIMITED OFFICIAL USE

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RAISED SINCE 1970, AND PRESENT INCREASE, WHILE APPRECIABLE, IS IN LINE WITH INCREASED COSTS OVER THIS PERIOD.

B. NEW FEES ARE STILL THE LOWEST IN REGION, AND FAR LOWER THAN THOSE OF AUSTRALIA. SINGSON EXPRESSED OPINION THAT US (AND US ALONE) WAS BADGERING PHILIPPINES WHILE OTHER COUNTRIES, FOR EXAMPLE AUSTRALIA, IGNORED IATA WITH IMPUNITY.

C. WITH REGARD TO POSSIBLE COMPENSATORY CHARGES UNDER FAIR COMPETITIVE PRACTICES ACT (FCPA), SINGSON REACTED VERY CALMLY TO THIS EVENTUALITY, AND TOOK POSITION THAT IF COMPENSATORY CHARGES WERE IMPOSED BY USG, THAT WAS UNFORTUNATE BUT ACCEPTABLE. COMMENT: EMBOFF IS NOT REPEAT NOT SURE OTHER ELEMENTS OF PHILIPPINE AVIATION ESTABLISHMENT, PAL AND PHIL CAB, FOR EXAMPLE, WILL REACT SO CALMLY TO IMPOSITION OF COMPENSATING CHARGES.

5. COMMENT: US-PHILIPPINE AVIATION RELATIONS ARE BAD AT PRESENT AND SHOW NO IMMEDIATE PROSPECT OF IMPROVING. CURRENT DISAGREEMENTS INCLUDE CLEARANCE PROCEDURES FOR FAA PLANES AND GENERAL AVIATION, THE PANAM CARGO FLIGHT FINE, THE POSSIBLE CANCELLATION OF FLYING TIGERS CARGO FLIGHT TO MANILA,

AND THE ABSENCE OF A BILATERAL AVIATION AGREEMENT. RECENT AVIATION RELATIONS HAVE BEEN STUDDERED WITH MISUNDERSTANDINGS AND ILL FEELINGS ON ALL SIDES. USG MAY BE LEGALLY OBLIGATED BY FCPA TO TAKE RETALIATORY ACTION. HOWEVER, EMBASSY DOES NOT REPEAT NOT BELIEVE SUCH ACTION WILL PREVENT PHIL CAA FROM RAISING AIRPORT CHARGES, WHILE IT CERTAINLY WILL ADD AN ADDITIONAL IRRITANT TO OUR TROUBLED BILATERAL CIVIL AIR RELATIONS.

6. AVAILABLE INFO REQUESTED PARA 4 REF C IS BEING AIR
POUCHED WITH EXPLANATORY LETTER.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRPORTS, AIRLINES, AIRPORT FEES
Control Number: n/a
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Sent Date: 26-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770719/aaaaapwv.tel
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Litigation Codes:
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To: STATE
Type: TE
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